

# Statistics Weekly

Thursday, 9 August 1990

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## Food major contributor to CPI increase

Increases in food prices accounted for almost one third (31.3%) of the June quarter rise in the Consumer Price Index (CPI).

The CPI increased by 1.6 per cent between the March and June quarters 1990 and by 7.7 per cent since the June quarter last year. Both rates of increase are down on the results recorded in the March quarter (1.7% and 8.6% respectively).

Food prices increased by 2.8 per cent in the June quarter. This was mainly due to significant increases in prices of fresh vegetables, particularly tomatoes and lettuce.

The considerably lower rate of increase in transportation costs of 0.6 per cent, compared with 2.6 per cent in the March quarter, had a moderating influence on the CPI. The small increase was mainly due to slight falls in motor vehicle prices and only marginal increases in petrol prices.

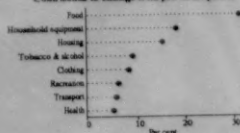
Three groups accounted for more than 65 per cent of the increase in the all groups index — food (31.3%), household equipment and operations (18.3%), and housing (15.5%).

CONSUMER PRICE INDEX  
JUNE QUARTER 1990  
Weighted average of eight capital cities

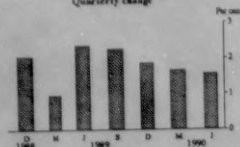
	Percentage change	
	Previous quarter	Corresponding quarter of previous year
Food	2.8	5.8
Clothing	2.0	4.4
Housing	1.6	13.0
Household equipment and operation	1.7	6.4
Transportation	0.6	8.0
Tobacco and alcohol	1.8	8.6
Health and personal care	1.5	7.2
Recreation and education	1.0	6.9
All groups	1.6	7.7
All groups excluding housing	1.6	6.7
All groups excluding food	1.4	8.1

For further information, order the publication Consumer Price Index (6401.0), or contact Maree Roy on (06) 252 6251.

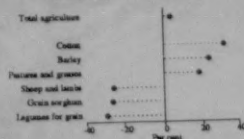
CONSUMER PRICE INDEX  
June quarter 1990  
Contribution to change from previous quarter



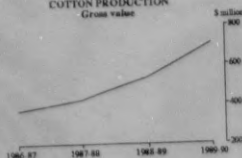
CONSUMER PRICE INDEX  
Quarterly change



GROSS VALUE OF SELECTED COMMODITIES  
Change from 1988-89 to 1989-90



COTTON PRODUCTION  
Gross value



## Cotton outstrips other crops

The value of cotton produced in Australia jumped by 32 per cent in 1989-90, compared with growth of 3.8 per cent in the value of all agricultural commodities.

The gross value of cotton produced has increased each year since 1986-87, when it was \$372.5 million, to \$709.9 million in 1989-90. The big increase between 1988-89 and 1989-90 was largely due to increased production and high world prices.

The gross value of all agricultural commodities produced in 1989-90 was \$23,960.7 million.

Other crops to record significant increases were barley for grain, up 24 per cent to \$702.9 million, and pastures and grasses, up 18 per cent to \$579.2 million. Significant falls were recorded for legumes for grain, down 29 per cent to \$261.9 million and grain sorghum down 26 per cent to \$142.9 million.

The country's largest crop, wheat, increased in value by only 1 per cent in the year (see table below) but this followed an increase of nearly 50 per cent in 1988-89.

Total value of livestock slaughterings increased by 7 per cent to \$5,642.0 million with slaughterings of cattle and calves up 15 per cent to \$3,661.7 million while sheep and lambs fell by 26 per cent to \$547.7 million.

GROSS VALUE OF SELECTED  
AGRICULTURAL COMMODITIES  
\$ million

	1988-89	1989-90
Wool	5,906.0	6,071.9
Cattle and calves	3,197.6	3,661.7
Wheat	2,975.9	3,007.4
Milk	1,635.1	1,667.1
Fruit and nuts	1,462.6	1,419.9
Vegetables	1,197.3	1,269.0
Cotton	537.3	709.9
Total agriculture	23,091.4	23,960.7

For further information, order the publication *Value of Principal Agricultural Commodities Produced, Australia, Preliminary (7501.0)*, or contact Henry Stefanik on (06) 252 5347.



## Signs of recovery in lease finance

Finance lease commitments in May reached a new monthly high for 1990 of \$703.2 million, but remained about 7 per cent below the level of May 1989.

Finance companies continue to hold the major share of the market for provision of this type of finance. The market shares for May 1990 were banks 40 per cent, finance companies 51 per cent and other corporations 9 per cent.

NEW FINANCE LEASE COMMITMENTS, MAY 1990

	\$ million	Percentage change from	
		Precious month	Corresponding month of previous year
All banks	284.1	38.9	26.2
Finance companies	358.0	9.5	-19.5
Other corporations	61.1	34.0	-27.9
<b>Total</b>	<b>703.2</b>	<b>21.9</b>	<b>-6.8</b>

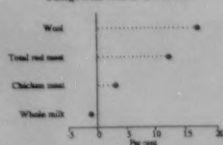
The size of the change between April and May should be treated with caution, since both the length of the reporting period and the incidence of public holidays tended to increase the relative size of the May figure.

For further information, order the publication *Lease Finance, Australia* (5644.0), or contact John Carson on (06) 252 7110.

## Wool receivals highest ever for June

Brokers' and dealers' receivals of taxable wool in June 1990 were the highest ever recorded for the month of June. The receivals figure of 51,141 tonnes compares with the average for the month of June for the previous 16 years of 28,739 tonnes. Receivals for the whole of 1989-90 rose by 17.0 per cent on 1988-89.

**LIVESTOCK PRODUCTS**  
Change from 1988-89 to 1989-90



**LIVESTOCK PRODUCTS**  
Percentage change

		From May to June 1990	From June 1989 to June 1990	From 1988-89 to 1989-90
Cattle and calves slaughtered	Number	-1.5	-9.1	9.8
Sheep and lambs slaughtered	Number	-12.7	19.4	14.3
Pigs slaughtered	Number	-6.7	-3.1	-1.2
Total red meat production	Tonnes	-5.0	11.3	12.0
Chickens slaughtered	Number	-5.1	1.9	4.1
Chicken meat produced	Tonnes	-5.0	4.1	3.1
Taxable wool receivals	Tonnes	-16.5	21.3	17.0

Red meat production increased 12.0 per cent in 1989-90 compared with the previous year, with beef up 184.5 thousand tonnes (12.6 per cent), and mutton up 79.4 thousand tonnes (31.3 per cent).

*Continued ...*

The number of cattle and calves slaughtered rose by 9.8 per cent (or 706,300) in 1989-90. Sheep and lamb slaughterings in the same period rose by 14.3 per cent or 4.1 million — but note that the total value of sheep and lambs slaughtered actually fell (see story page 3).

A 4.1 per cent increase (11 million) in the number of chickens slaughtered in 1989-90 led to an increase in production of 3.1 per cent (11.5 thousand tonnes) compared with 1988-89.

For further information, order the publication *Livestock Products, Australia* (7215.0), or contact Bronwyn Brown on (06) 252 5337.

## A guide to the Balance of Payments

This is the first part of a quick *Statistics Weekly* guide for readers who know that the balance of payments is important, but are not quite sure what the monthly numbers mean.

Later articles will consider the two broad accounts that make up the balance of payments, namely the current account and the capital account, but first a word about the balance of payments itself, and how the two accounts fit in.

Despite its name, the balance of payments is a record of Australia's economic transactions with the rest of the world, many of which do not involve simultaneous payment (such as credit sales) and some of which involve no payment (such as goods provided under foreign aid programs). All these transactions, which usually involve dealings between an Australian resident and a non-resident, are entered in a set of double entry accounts which make up the balance of payments. It is the use of the double entry system that enables 'balances' to be derived, but the balance of payments cannot be summarised in just a single balance.

The *current account* includes transactions in goods, services, income and unrequited transfers. Unrequited transfers are offset entries to transactions where ownership of an item changes without payment, or expectation of payment. For example, an incoming migrant might bring in foreign exchange; the offsetting entry is an unrequited transfer.

The *capital account* includes transactions in Australia's foreign financial assets and liabilities, such as foreign borrowing and lending by Australian residents, equity investments and Australia's international reserves.

In principle, the deficit (or surplus) on the current account should be matched by a surplus (or deficit) on the capital account. In practice, this is not the case. The balances on the capital account and the current account are reconciled by the *balancing item*. This is the sum of net errors (transactions not measured accurately) and net omissions (transactions not measured at all).

A more comprehensive guide to the balance of payments may be found in *Balance of Payments, Australia: Summary of Concepts, Sources and Methods* (5351.0). This simplified guide, based on that publication, will be continued in future issues.

## Inquiries

The ABS supplies a wide range of statistical information:

- ☐ through its bookshops
- ☐ by mail order (including subscription)
- ☐ by facsimile
- ☐ electronically.

To order any of the publications that appear in *Statistics Weekly* or to inquire about the statistics and services available from the ABS, contact Information Services at any of the offices listed below. An Information Consultancy Service in each office provides assistance of a more extensive or complex nature.

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Any suggestions for improvement to this publication should be addressed to:

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## All the week's releases: 1 to 7 August

### General

Publications Issued in July 1990 (1102.0; \$5.00)

Statistics Weekly, 2 August 1990 (1318.0; \$3.50)

### Demography

Estimated Resident Population and Area, Qld, 1989 (3202.3; \$5.00)

Divorces, Tas, 1989 (3302.6; \$5.00)

### National accounts, finance and foreign trade

Balance of Payments, Aust., 1988-89 (5303.0; \$30.00)

Foreign Investment, Aust., 1988-89 (5305.0; \$30.00)

Imports, Aust., Monthly Summary Tables, June 1990 (5433.0; \$8.00)

Commercial Finance, Aust., April 1990 (5643.0; \$5.00)

Lease Finance, Aust., May 1990 (5644.0; \$5.00)

Local Government, Qld, 1988-89 Corrigenda (5502.3; free)

### Labour statistics and prices

The Labour Force, Aust., June 1990 (6203.0; \$13.00)

Employed Wage and Salary Earners, Aust., March Qtr 1990  
(6248.0; \$12.50)

Consumer Price Index, June Qtr 1990 (6401.0; \$10.00)

### Agriculture

Livestock Products, Aust., June 1990 (7215.0; \$5.00)

Value of Principal Agricultural Commodities Produced, Aust., 1989-90,  
Preliminary (7501.0; \$3.30)

Value of Agricultural Commodities Produced, SA, 1988-89 (7503.4; \$12.50)

### Secondary industry and distribution

Production of Household Appliances and Electrical Equipment, Aust.,  
April 1990 (8357.0; \$5.50)

Building Approvals, NSW, June 1990 (8731.1; \$8.60)

Dwelling Unit Commencements Reported by Approving Authorities,  
Qld, April 1990 (8741.3; \$5.00)

Dwelling Unit Commencements Reported by Approving Authorities,  
WA, May 1990 (8741.5; \$8.00)

Building Approvals, SA, June 1990 (8731.4; \$8.50)

Building Approvals, NT, June 1990 (8731.7; \$5.50)

## Calendar of key releases

Expected releases over the fortnight to 21 August 1990

### August

- 9** The Labour Force, Australia, July 1990, Preliminary (6202.0; \$8.50)
  - 10** Price Indexes of Articles Produced by Manufacturing Industry, Australia, May 1990 (6412.0; \$6.00)
  - 15** Retail Trade, Australia, June 1990 (8501.0; \$8.50)
  - 16** Average Weekly Earnings, Australia, Preliminary, May Quarter 1990 (6301.0; \$3.50)
  - 21** Australian National Accounts: National Income and Expenditure, June Quarter 1990 (5206.0; \$16.50)
- Balance of Payments, Australia, June Quarter 1990 (5302.0; \$16.50)
- Private New Capital Expenditure, Australia, Actual and Expected Expenditure to June 1991, June Quarter 1990 Survey, Preliminary, (\$625.0; \$3.50)

## The latest ...

Changes to key State indicators — consolidated to 7 August 1990

	NSW	Vic.	Qld	SA	WA	Tas.	NT	ACT	Aust.
— Percentage change from same period previous year —									
New capital expenditure (Mar. qtr 90)*	10.1	-13.5	5.6	17.7	-5.3	-35.2	n.a.	n.a.	-2.4
Retail turnover (May 90) (trend estimate)	7.3	2.1	7.0	5.6	5.8	9.3	n.a.	9.3	5.5
New motor vehicle registrations (June 90)*	8.6	-7.2	-0.6	-2.5	-16.8	n.a.	-4.3	19.5	-0.7
Number of dwelling unit approvals (June 90)	-23.7	-31.2	-26.8	1.4	-42.2	-17.2	-41.0	-29.2	-26.9
Value of total building work done (March qtr 90)	6.7	7.9	1.1	12.9	5.1	-4.0	30.9	-4.0	5.9
Employed persons June 90*	1.9	2.4	3.7	2.4	2.7	4.0	-2.3	1.3	2.4
Capital city consumer price index (June qtr 90)	8.1	7.8	6.6	6.7	8.6	6.2	6.4	6.9	7.7
Average weekly earnings (full-time adult ordinary time) (February 90)	8.0	6.4	5.1	7.5	4.5	7.3	4.8	6.4	6.6
Population (Dec. 89)	0.9	1.3	3.1	1.1	2.8	0.9	-0.1	2.2	1.6
Guest nights in licensed hotels and motels, etc (Dec. qtr 89)	1.3	-4.7	-8.7	10.6	0.7	-11.2	-19.6	-8.5	-2.9

\* Seasonally adjusted for States (but not Territories)



## Key national indicators – consolidated to 7 August 1990

			Latest figure available		Percentage change (a) on		
			Period	Original	Seasonally adjusted	Previous period	Corresponding period last year
<b>National production</b>							
Gross domestic product	— current prices	\$m	Mar. qtr 90	89,263	94,113	2.3	9.8
	— 1984-85 prices	"	"	62,030	65,441	1.8	4.4
<b>Industrial activity</b>							
New capital expenditure	— current prices	\$m	Mar. qtr 90	6,200	6,995	-1.5	-2.4
	— 1984-85 prices	"	"	4,657	5,244	-2.9	-8.1
Expected new capital expenditure		"	Three months to June 90	8,040	n.a.	n.a.	-4.8
Retail turnover	— current prices	"	May 90	7,015	6,956	-2.1	7.2
	— 1984-85 prices	"	Mar. qtr 90	14,013	14,836	0.0	1.4
New motor vehicle registrations		no.	June 90	52,449	49,183	-9.3	-0.7
Dwelling unit approvals		"	June 90	11,234	11,251	-1.9	-24.1
Value of all building approvals		\$m	"	2,035	2,042	-8.5	-16.9
Value of total building work done	— current prices	"	Mar. qtr 90	6,922	7,562	-2.0	5.8
	— 1984-85 prices	"	"	4,429	4,839	-3.0	-2.3
Manufacturers' sales		"	Mar. qtr 90	33,133	36,124	2.4	8.3
Expected manufacturers' sales		"	Three months to June 90	36,461	n.a.	n.a.	6.3
<b>Labour</b>							
Employed persons (e)		'000	June 90	7,910.0	7,906.1	0.0	2.4
Unemployment rate †(e)		%	"	6.4	6.6	0.1	0.6
Participation rate †(e)		"	"	63.8	63.9	0.1	0.1
Job vacancies		'000	Feb. 90	60.9	56.1	-15.0	-15.9
Average weekly overtime per employee		hours	"	1.4	1.4	-8.7	-3.5
<b>Prices, profits and wages</b>							
Consumer price index	1980-81 = 100.0		June qtr 90	207.4	n.a.	1.6	7.7
Price index of materials used in manufacturing industries	1984-85 = 100.0		May 90	118.9	n.a.	-0.8	0.3
Price index of articles produced by manufacturing industry	1968-69 = 100.0		Apr. 90	571.5	n.a.	0.7	6.6
Company profits before income tax		\$m	Mar. qtr 90	3,668	4,633	9.0	2.0
Average weekly earnings (Full-time adults; ordinary time)		\$	Feb. 90	524.70	n.a.	1.6	6.6
<b>Interest rates (b) (monthly average)</b>							
90-day bank bills †	% per annum		June 90	15.10	n.a.	0.1	-3.2
10-year Treasury bonds †			"	13.40	n.a.	-0.1	-0.1
<b>Balance of payments</b>							
Exports of merchandise		\$m	June 90	3,576	3,525	-7.0	-8.9
Imports of merchandise		"	"	3,551	3,806	-0.4	-10.8
Balance on merchandise trade (c)		"	"	25	-281	-836.6	29.0
Balance of goods and services (c)		"	"	-361	-559	-62.5	28.4
Balance on current account (c)		"	"	-1,575	-1,808	-26.8	5.6
Terms of trade (d)	1984-85 = 100.0		Mar. qtr 90	n.a.	104.0	-4.9	-5.9
<b>Foreign investment</b>							
Net foreign debt		\$m	31 Mar. 90	124,270	n.a.	5.6	16.0
Net foreign liabilities		"	"	163,388	n.a.	3.3	17.4
<b>Exchange rates (monthly average)</b>							
\$US	per \$A		June 90	0.7783	n.a.	2.2	3.0
Trade weighted index	May 1970 = 100.0		"	61.1	n.a.	2.2	2.7
<b>Other indicators</b>							
Population (resident at end of qtr)	million		Dec. 89	16.9	n.a.	0.4	1.6
Overseas visitors	'000		Apr. 90	181	195	8.0	10.5

(a) Based on seasonally adjusted figures where available. (b) Source: Reserve Bank of Australia. (c) For percentage changes, a minus sign indicates an increase in the deficit; no sign means a decrease in the deficit or an increase in the surplus. (d) The ratio of the price of goods and services for exports to that for imports. (e) Later figures released Thursday, 9 August 1990.

NOTES: † = change is shown in terms of percentage points. n.a. = not available.

Figures have been taken from a variety of ABS publications. Copies may be obtained from Information Services (see page 6). Some of the figures shown are preliminary, some final, and some are revisions of previously published figures. Users should check the latest relevant publication or with the ABS Information Services if the status of the statistic is important.

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